

ANALYSIS OF AMENDED BILL

Author: Oropeza Analyst: Darrine Distefano Bill Number: AB 2329
 Related Bills: See Legislative History Telephone: 845-4142 Amended Date: April 6, 2006
 Attorney: Patrick Kusiak Sponsor: _____

SUBJECT:

FTB & Specified State Agencies Make Separate Breakdown of South Bay Cities & Harbor Area Within County of Los Angeles In Preparation & Maintenance of Any Statistical Analyses

SUMMARY

This bill requires state agencies to prepare and maintain information for a specific area in California.

SUMMARY OF AMENDMENTS

The April 6, 2006, amendments delete language that identifies any state agency or department that prepares or maintains statistical data at a municipal level and adds language that identifies specific state agencies that are required to prepare and maintain statistical analysis for cities.

This is the department's first analysis of this bill.

PURPOSE OF THE BILL

According to the author's office, the purpose of the bill is to obtain information specific to an area within the County of Los Angeles to ensure federal and state funds are being sent to these areas.

EFFECTIVE/OPERATIVE DATE

This bill would be effective and operative on January 1, 2007.

POSITION

Pending.

ANALYSISSTATE LAW

Under current state law, Franchise Tax Board (FTB) is not required to prepare, maintain, or report statistical data at the municipal level. FTB does prepare and maintain statistical analyses by county. Examples of some of the statistical analyses prepared and maintained by FTB are

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Department Director

S. Stanislaus

Date

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contained in the department's Annual Report. These statistical analyses include the following: median adjusted gross income of joint returns by county; personal income tax statistics, comparison by county; county data by adjusted gross income class; and Homeowner and Renters Assistance claims by county.

Current law requires state agencies and departments that develop or maintain statistical data on a municipal level to make a separate breakdown of the San Fernando Valley when preparing or maintaining any statistical analyses by city. This law is not applicable to the department because FTB does not prepare statistical data on a municipal level.

Current law also requires Employment Development Department (EDD) and Department of Finance (DOF) to make a separate breakdown of the Antelope Valley when preparing or maintaining any statistical analyses by county.

THIS BILL

This bill would require FTB, EDD, Department of Industrial Relations, DOF, Department of Housing and Community Development, Department of Real Estate, California Housing Finance Agency, Department of Motor Vehicles, Department of Transportation, Department of General Services, and Department of Fair and Employment and Housing to provide a separate breakdown of the South Bay Cities and Harbor Area within the County of Los Angeles when preparing a statistical analysis on a city level, either by population, fiscal, or other bases.

This bill lists the cities that agencies would prepare or maintain statistical analysis on either by population, fiscal, or other bases.

IMPLEMENTATION CONSIDERATIONS

Data maintained and prepared by FTB is extracted from income tax returns filed by taxpayers and business entities. Addresses provided on taxpayer returns are not always the taxpayer's residential or business address and may not adequately reflect those residents or businesses within the designated area.

In addition, this bill designates the South Bay Cities, the Harbor Area, and the unincorporated areas within Los Angeles County by geographical boundaries that may overlap the United States Postal Service zip codes maintained within FTB systems. Developing statistical data specifically for these areas by using zip codes may result in imprecise data due to over or under reporting of neighboring areas that are not intended to be included in areas designated. FTB does not develop statistical data below a county level, but can provide the information as required in this bill only to the extent that these gaps and inconsistencies are recognized and acceptable.

Although this bill identifies cities within the South Bay, the Harbor Area, and the unincorporated areas within Los Angeles County, it is unclear if this is an inclusive list. Also, it is unclear if the terms used to identify these areas are commonly known to the state agencies required to provide statistical data under this bill.

LEGISLATIVE HISTORY

SB 143 (Stat. 2005, Ch. 679) requires EDD and DOF to prepare separate statistical data for Antelope Valley when preparing statistical analysis for other counties.

AB 588 (Goldberg, 2005/06) would have required specific state agencies, including FTB to prepare a separate breakdown of the community of Hollywood as defined, when preparing or maintaining statistical data or analysis on a city level. The bill was enrolled to the Governor. However, the Governor returned the bill to the Senate, as requested by the Assembly, after the Assembly rescinded its concurrence with the Senate's amendments.

AB 2207 (Stats. 2004, Ch. 181) amended the Government Code to require state agencies and departments that prepare or maintain statistical data at a city level to provide a separate breakdown of the San Fernando Valley as described, when preparing a statistical analysis on a city level. FTB does not prepare statistical data on a city level, so this requirement was not applicable to the department.

FISCAL IMPACT

The department's costs to administer this bill cannot be determined until the implementation concerns have been resolved. The additional costs have not been determined at this time. As the bill continues to move through the legislative process, costs will be identified and an appropriation will be requested if necessary.

ECONOMIC IMPACT

This bill would not impact the state's income tax revenue.

LEGISLATIVE STAFF CONTACT

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